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REDACTED - FOR PUBLIC INSPECTION

November 9, 2015

By Hand

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

RE: *Connect America Fund*, WC Docket No. 10-90;
Lifeline and Link Up Reform and Modernization, WC Docket No. 11-42;
ETC Annual Reports and Certifications, WC Docket No. 14-58

Dear Ms. Dortch:

On behalf of its affiliated local exchange carriers mentioned below, ("LECs"), FairPoint Communications Corp. ("FairPoint") hereby files the revised annual report and certifications required by sections 54.312(c), 54.313(a), 54.313(b), 54.313(c)(3), 54.313(h) and 54.422 of the Commission's rules as required by USAC in its directive dated October 9, 2015 as a results of the Office of Management and Budget (OMB) approval of additional lines for the FCC Form 481. Please note, many of these companies are rate of return companies participating in the NECA TS pool and transitioning to bill and keep via the rate of return mechanism, even though they are considered price cap for high cost CAF (e.g., Frozen CAF, CAF- Incremental and CAF II).

As such, for purposes of the ICC Transition Rules and for CAF-ICC these are considered rate of return carriers. Therefore, the certification for Form 481 line 2016, which applies to price cap carriers receiving CAF-ICC support to offset reductions in access charges does not apply to these carriers which are rate of return carriers.

Below are excerpts from several of the *Transitional Orders* that support FairPoint's compliance with the rules for this specific issue.

Paragraph 26 of FCC 11-161 states, "Rate-of-return carriers receiving legacy universal service support, or CAF support to offset lost ICC revenues, must offer broadband service meeting initial CAF requirements, with actual speeds of at least 4 Mbps downstream and 1 Mbps upstream, upon their customers' reasonable request." This requirement is emphasized again in paragraph 21 of DA14-54 which states that the commission "largely maintained the existing legacy universal support mechanisms for rate-of-return carriers and required that they provide broadband meeting the Commission's public service obligations upon reasonable request." Paragraphs 59-72 of DA 14-54 further describes a "reasonable request".



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FairPoint is taking reasonable steps to provide upon request broadband service at actual speeds of at least 4 Mbps downstream/1 Mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas as determined in an annual survey, and that requests for such service are met within a reasonable amount of time.

A copy of the revised report is also being filed with the Universal Service Administrative Company, affected Tribal governments, where applicable, and each relevant State public service commission in which FairPoint operates as an ETC.

Portions of this filing are confidential and are being filed under seal in accordance with the Federal Communications Commission's *Third Protective Order* in the above-captioned Docket WC 10-90.¹

This filing contains confidential, commercially sensitive information on network outages, customer information by exchange, FairPoint's past, present and future network deployment activities, and FairPoint's engagements with Tribal governments. FairPoint requests that all of this confidential information, as indicated on the enclosed documents, be withheld from public inspection.

Confidential treatment is appropriate for the detailed reporting of outages, which includes location, cause, duration and efforts taken to prevent further outages, the number of complaints per 1000, and the rate floor loop counts with the associated regulatory fees. This information is competitively sensitive and is not normally released to the public; release of this information could give FairPoint's competitors an advantage in the markets described herein. Section 4.2 of the Commission's rules states that reports of service disruptions are "presumed to be confidential." 47 C.F.R. §4.2.

Confidential treatment also is merited for FairPoint's unfulfilled voice and broadband service requests. This information is competitively sensitive as it may provide an indication of where FairPoint may target future service expansion. This information is not normally released to the public; release of such sensitive data could give FairPoint's competitors an advantage in the markets described therein.

In addition, the list of FairPoint's broadband price offerings is confidential and competitively sensitive. While some broadband price offerings may be publicly available on a targeted and localized basis, FairPoint has not published a companywide description of its pricing across all markets, as contained in this report. Pricing is a key component of broadband competition and is not normally released to the public on this scale. Release of such sensitive data could give FairPoint's competitors an advantage in the markets contained herein.

Finally, confidential treatment of FairPoint's Tribal engagements is appropriate. FairPoint has not published the details of its Tribal engagements as this data is customer-specific. Release of such sensitive data could give FairPoint's competitors an advantage in the markets contained herein.

¹ *Connect America Fund, et al.*, WC Dockets 10-90, *et al.*, Third Protective Order, DA 12-1418 (Wireline Competition Bur. & Wireless Telecom. Bur., rel. August 30, 2012).



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In accordance with the Third Protective Order, FairPoint's Stamped Confidential Documents have been marked, "CONFIDENTIAL INFORMATION — SUBJECT TO THIRD PROTECTIVE ORDER IN WC DOCKET NOS. 10-90, 07-135, 05-337, 03-109, GN DOCKET NO. 09-51, CC DOCKET NOS. 01-92, 96-45, WT DOCKET NO. 10-208 BEFORE THE FEDERAL COMMUNICATIONS COMMISSION." In addition to the copy provided herewith, two copies of the Stamped Confidential Documents are included for the Wireline Competition Bureau.

FairPoint also provides two redacted versions of each document, marked: "REDACTED – FOR PUBLIC INSPECTION," in accordance with the Third Protective Order.

Please contact me if you have any questions.

Sincerely,

Barbara B. Galardo, Senior Director Cost & Access

Enclosures



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FairPoint Affiliated Local Exchange Carriers:

Bluestem Telephone Company
Chautauqua & Erie Telephone Corp.
China Telephone Co.
Ellensburg Telephone Company
FairPoint Vermont Inc.
Northern New England Telephone Operations (ME)
Northern New England Telephone Operations (NH)
Peoples Mutual Telephone Company
Sunflower Telephone Co (KS)
Taconic Telephone Corp.
Telephone Operating Company of Vermont